

COMMUNITY & ECONOMIC DEVELOPMENT OFFICE

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TO: Mayor Bob Kiss and City Council
FROM: Margaret Bozik, Assistant Director for Community Development
DATE: October 5, 2011
RE: CDBG Public Forum

This memo summarizes the principal themes from the CDBG Public Forum held on September 27, 2011. The Forum was filmed, and a link to the video has been posted on the CEDO website. The written comments and notes from the Forum have been transcribed, and are available upon request. Also included in the themes was the related discussion by the CDBG Advisory Board at their April 12, 2011 meeting. The full minutes from that meeting are also available on the CEDO website.

In attendance at the Forum were:

- o Representatives from 9 funded non-profits
- o 3 Board members
- o 2 other residents
- o 3 congressional staffers
- o 4 City Councilors
- o 6 CEDO staff

The principal themes that emerged from the Forum and from the discussion of last year's Advisory Board were:

- o The CDBG Advisory Board is very valuable in making decision-making transparent, community-based, legitimate and non-political.
- o A majority view seems to be that the current process of funding neighborhood grants through the CDBG Advisory Board isn't working. One possible alternative: a small (\$15,000?) set-aside in the city capital fund as a substitute for CDBG funding.
- o In making decisions about how to spend CDBG, the main consideration should be the impact and outcomes of funded activities. Whether other funds are available for those same activities may be one consideration in funding (as other funding may contribute to the success of the activity and because leverage is good), but it's not the main consideration.
- o There was some support expressed for taking CEDO out of the Advisory Board process, but support was also expressed for leaving CEDO in that process, particularly because the Board provides a public oversight function.

Another consideration going forward is that under either of the current congressional funding bills, CEDO is probably not going to be able to manage the number of external grants that have historically been managed. As a practical matter, this may limit the number of applications that the city is able to fund with CDBG.

I am attaching a copy of written testimony submitted by the Champlain Housing Trust.



Community Forum:
Future of the Burlington Community Development Block Grant Program

Testimony regarding CEDO/CDBG Role in Affordable Housing
Brenda M. Torpy, CEO, Champlain Housing Trust

Thank you for the opportunity to comment.

I have a long history with the city's affordable housing mission and practice, starting with my tenure as CEDO's first Housing Director. Champlain Housing was created by the merger of two of the city's long-standing non-profit partners, Lake Champlain Housing Development Corporation and Burlington Community Land Trust and each one, and now combined as CHT, has produced outstanding results in fulfillment of Burlington's affordable housing and community development goals. I was Director of BCLT for 15 years prior to the merger.

CHT is very cognizant of the very limited resource environment that the public sector faces and we have been affected by it. We have remade ourselves from top to bottom since our merger in order to continue to meet the region's housing needs with less. We reduced staff overhead by 14 % between 2006 and 2010, yet we increased production in nearly every program, and continue to produce at this higher level. So we understand and applaud the city's very open process of rethinking the deployment of CDBG and your search for the most effective and targeted use of funds.

I am here to advocate strongly that the city continue it's partnership with Champlain Housing Trust not just because of our mission alignment with the city's goals, but also because of our record of production on behalf of these, and our ability to leverage significant dollars to supplement your public dollars resulting in permanently affordable housing assets that benefit the city; and that, through CHT's stewardship operate at no ongoing cost to the city.

Affordable Housing is one of the city's highest consolidated plan priorities, and as developed and managed by CHT, this housing both alleviates poverty and helps people out of poverty, while improving the city's infrastructure in the city's designated target areas and low income census tracks principally in the Old North End. The ONE is CHT's primary target area.

For over 20 years, CEDO has provided development-specific grants to us, to undertake projects in conjunction with other CEDO initiatives to provide maximum impact and

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benefit. For example, for several years, BCLT and LCHDC acquired and redeveloped polluted properties and abandoned buildings in the Archibald, Intervale and North Winooski Avenue neighborhood and cleaned them up and redeveloped them into affordable housing, non-profit and commercial facilities. These included the Bus barns property, the Multigenerational Center, the Little Park, the Foodshelf, Thelma Maple Cooperative, the Legal Aid building among others. These were all high-cost, high-risk projects that we could not have committed to without the reliable contribution of your CDBG investment.

Also, the city could not have revitalized this area without us, especially in light of the fact that for every CDBG dollar invested, we raised 65 or more dollars! Yes, 65 to one has, in fact been the typical annual project contribution that we have leveraged for city projects in the 20-plus years that we have been doing these. This partnership brings huge value because, just as the city has access to certain public sources, CDBG, HOME, and other federal programs, taxes, bonding and other incentives; as a non-profit we have access to private foundations and charitable donors, other federal, state and regional sources like NeighborWorks, Federal Home Loan Bank, VHCB, Low Income Housing, Historic rehab, New Markets and Downtown Tax Credits.

We can only do this together. Make no mistake- and you know this from your own perspective- that while I can name many sources, we need them all, including your investment to get a project done. Where in the early nineties we needed 5 to 7 sources to do a project now we use 11 to 14! Most important, however, to our ability to chase these funds down and fight for them (they are all very competitive) for the city, is your reliable and early investment each year that allows to plan and to be strategic with you on long-term initiatives like north Winooski Ave., more recently, North Street improvements, Waterfront Apartments, and our Headquarters building with 20 apartments on King Street.

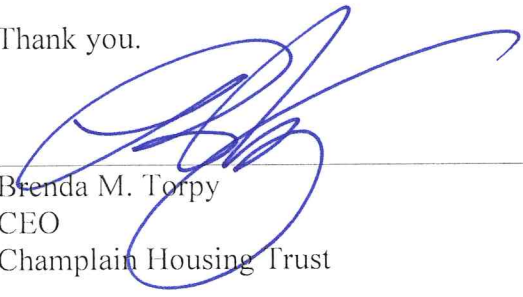
Your annual investment also allows us to respond to city emergencies. When the Huntington block, just across City Hall Park experienced a devastating fire, we were able to jump in and assemble multiple funding sources to redevelop it, removing a significant blight from the downtown and restore retail and commercial uses to the block along with the new apartments. Your investment in CHT is just that- an investment- not a capacity grant- and it has facilitated a powerful partnership to achieve city goals.

One very creative goal also needs to be highlighted here. The city created LCHDC in order to engage the surrounding suburban communities in producing affordable housing. This has been a very successful strategy that we are carrying on and one that the region clearly needs. We just leased 30 new apartments in Essex. Last year we brought 40 new apartments on line in Colchester and we are in the planning process in Shelburne. Our board now includes city and town managers per our bylaws and the mission of expanding affordable housing opportunities beyond Burlington and having the suburbs do their fair share is embedded in our organizational DNA. Our next project is going to be Hinesburg's first affordable family rentals.

Over the years we have expanded our lending services to match the city's program and we have just created a Community Development Finance Institution in order to bring new capital to this purpose from the Treasury and from private sources. You can count on us to make sure that the city continues to offer affordable loans to city homeowners that are fully compliant with all the new regulations and very affordable and flexible to low income people.

Our partnership to date has yielded exceptional results, results that have been recognized by numerous awards and accolades to the city. As you look forward and seek to maximize your benefit to Burlington citizens with CDBG in this new environment please do challenge us- and support us to continue to match our resources to yours and to help you address your toughest community development challenges and realize your most ambitious visions.

Thank you.



Brenda M. Torpy
CEO
Champlain Housing Trust